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PRESTRESSED CONCRETE STEEL WIRE STRAND FROM THE UNITED KINGDOM COMPLETED

Determination of the Commission
in Investigation No. 731-TA-89 (Final)
Under the Tariff Act of 1930,
Together With the Information
Obtained in the Investigation

64

ORIGINAL



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UNITED STATES INTERNATIONAL TRADE COMMISSION

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Note.--Information which would disclose confidential operations of individual concerns may not be published and therefore has been deleted from this report. These deletions are marked by asterisks.

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, D.C.

Investigation No. 731-TA-89 (Final)

PRESTRESSED CONCRETE STEEL WIRE STRAND FROM THE UNITED KINGDOM

Determination

On the basis of the record 1/ developed in its antidumping investigation on prestressed concrete steel wire strand from the United Kingdom, the Commission unanimously determines, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. 1673d(b)), that an industry in the United States is not materially injured or threatened with material injury, nor is the establishment of an industry in the United States materially retarded, by reason of imports of steel wire strand for prestressing concrete (PC strand), provided for in item 642.11 of the Tariff Schedules of the United States, which are being, or are likely to be, sold at less than fair value (LTFV).

Background

On October 6, 1982, the Department of Commerce made a preliminary determination that PC strand from the United Kingdom is being sold, or is likely to be sold, in the United States at LTFV, as provided in section 733 of the Tariff Act of 1930 (19 U.S.C. § 1673).

Accordingly, effective October 15, 1982, the Commission instituted an investigation under section 735(b) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded by reason of imports of PC strand from the United Kingdom.

1/ The "record" is defined in sec. 207.2(i) of the Commission's Rules of Practice and Procedure (47 F.R. 6190, Feb. 10, 1982).

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Notice of the institution of the Commission's investigation and of a hearing to be held in connection therewith was given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register on October 27, 1982 (47 F.R. 47707). The hearing was held in Washington, D.C. on January 4, 1983, and all persons who requested the opportunity were permitted to appear in person or by counsel.

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VIEWS OF THE COMMISSION

On the basis of the record in this investigation, we determine that an industry in the United States is not being materially injured or threatened with material injury, nor is the establishment of an industry in the United States being materially retarded 1/ by reason of imports of steel wire strand for prestressing concrete (PC strand) from the United Kingdom, which are being sold at less than fair value.

Domestic industry

Under Title VII of the Tariff Act of 1930 (the Act), our analysis of the information gathered in this investigation begins with a definition of the scope of the relevant domestic industry. Section 771(4)(A) of the act defines the domestic industry as consisting of "the domestic producers as a whole of the like product or those producers whose collective output of the like product constitute a major proportion of the total domestic production of that product." 2/ "Like product" is defined in section 771(10) as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation . . ." 3/

The imported article that is the subject of this investigation is PC strand from the United Kingdom, a product consisting of one center wire and six helically placed outer wires that is used in prestressing concrete. This

1/ Since there is an established domestic industry, material retardation is not an issue in this investigation and will not be discussed further.

2/ 19 U.S.C. § 1677(4)(A).

3/ 19 U.S.C. § 1677(10).

same product was involved in several other recent Commission investigations. 4/ In those cases, we found that--

the U.S. product that is like the imported product is all wire strand of steel for prestressing concrete. The domestic and imported product are made to the same ASTM specification and are devoted to the same end uses.

The Commission found that the domestic industry consisted of the U.S. producers of this like product. 5/

In this investigation, the parties have not suggested, nor does the information that has been developed, support a revision of this industry definition. We, therefore, find that it is appropriate to adopt the same definition of the domestic industry in this investigation.

No material injury by reason of dumped imports from the U.K.

The record in this investigation reveals that with respect to many of the important economic factors the condition of the U.S. industry is healthy. 6/ Domestic production increased steadily and significantly from 1979 through 1981, although the period January-September 1982 showed some decline in production when compared to the same period in 1981. 7/ 8/ U.S. producers'

4/ Prestressed Concrete Steel Wire Strand from Brazil, France, and the United Kingdom, Inv. Nos. 701-TA-152 and -153 (Preliminary) and 731-TA-89 (Preliminary), USITC Pub. 1240 (1982); Prestressed Concrete Steel Wire Strand from Spain, Inv. No. 701-TA-164 (Final), USITC Pub. 1281 (1982); Prestressed Concrete Steel Wire Strand from France, Inv. No. 701-TA-153 (Final), USITC Pub. 1325 (1982).

5/ Two domestic producers--Sumiden and CF&I--were neither petitioners nor interested parties in support of the petitioners in these investigations and in the instant investigation.

6/ Most of the statistical data developed by the Commission in this investigation constitute confidential business information. Therefore, they can be discussed only in general terms.

7/ Report, Table 5, p. A-12.

8/ This industry is characterized by increasing competition between (footnote continued on page 5)

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shipments of PC strand followed the same general trend as production. 9/ Domestic productive capacity increased markedly from January-September 1981 to the same period in 1982. 10/ 11/ It is noteworthy that one domestic producer has recently increased its productive capacity significantly and another has stated that it will increase its productive capacity in the near future. 12/ Capacity utilization has remained at relatively high levels throughout the entire period under investigation, falling only during the first nine months of 1982. 13/ Almost all the recent decline in domestic capacity utilization is accounted for by increased productive capacity. Employment, as measured by the number of production and related workers and by hours worked, showed no significant changes during the period 1979 to September 1982, and hourly wages, total compensation, and worker productivity all increased. 14/ The only significant negative trend in this industry is profitability. Although the industry's net sales increased from 1979 to 1981, net profits declined,

(footnote continued from page 4)

integrated and nonintegrated domestic producers. Currently, production of PC strand is highly concentrated with the four largest producers accounting for the main portion of U.S. producers' shipments in 1981. All four of these producers are nonintegrated producers. Two of the four nonintegrated producers commenced production in 1980 and have become major factors in the market since then. Since 1980, the share of domestic production held by the integrated producers has fallen substantially.

9/ Report, Table 7, p. A-14.

10/ The vigorous expansion of this industry contrasts markedly with the situation in the carbon steel industry.

11/ Report, Table 5, p. A-12.

12/ Prestressed Concrete Steel Wire Strand from France, inv. No. 701-TA-153 (Final), USITC Pub. 1325, p. A-15 (1982).

13/ Report, Table 5, p. A-12.

14/ Report, Table 9, p. A-15.

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with net losses occurring during the first nine months of 1982. 15/ 16/

The foregoing economic data suggest that the only period of time in which the domestic industry could have suffered material injury is the first three quarters of 1982. 17/

Assuming arguendo that the injury during the first 9 months of 1982 meets the statutory standard of "material injury," our analysis of the effects of imports of PC strand from the United Kingdom demonstrates that any such injury is not by reason of the subject imports. In our analysis, we have considered, among other factors, both the absolute and relative levels of imports, price data, information regarding allegations of price suppression and depression, and lost sales. 18/

Imports from the United Kingdom increased irregularly, from 6.7 million pounds in 1979 to a peak of 9.8 million pounds in 1981. However, they

15/ Report, Table 11, p. A-16.

16/ As noted in the legislative history to the Trade Agreements Act of 1979--

The significance of the various factors affecting an industry will depend upon the facts of each particular case. Neither the presence nor the absence of any factor listed in the [statute] can necessarily give decisive guidance with respect to an injury determination.

H.R. Rep. 96-317, 96th Cong., 1st sess., 46 (1979). In this investigation, the profitability data alone are not sufficient, when considered with all other factors in this case, to support a finding of material injury.

17/ The petitioners, referring to statements in the Commission's opinions in the prior investigations involving PC strand from France and Spain, have inferred that the Commission has determined that a six-month period of injury, standing alone, is insufficient to support a finding of material injury. Petitioners' Prehearing Brief, pp. 4-5; Transcript, pp. 68-69. The Commission has not specified a minimum time period during which injury must exist in order to become "material" within the meaning of the statute. Duration of injury is only one of the factors that the Commission considers in determining material injury.

18/ In our earlier investigations on imports of PC strand from Spain and France, our analysis included an examination of the impact of the imports on the producers in certain markets where those imports were concentrated. Such an analysis is not helpful in this investigation because the imports from the United Kingdom compete in a larger number of markets. Report, Table 2, p. A-8.

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declined from 6.8 million pounds in January-September 1981 to 5.3 million pounds in January-September 1982. 19/ 20/ As a share of increasing domestic consumption, imports from the U.K. reached their peak in 1981 and decreased significantly during 1982. Thus, during the only period in which there appears to be evidence of deterioration in the condition of the domestic industry, the quantity of PC strand imported from the United Kingdom has decreased significantly, both in absolute terms and as a percentage of increasing domestic consumption. 21/ 22/ 23/

Data gathered on the prices of imports from the United Kingdom do not demonstrate any causal connection between such imports and the condition of the domestic industry. As the Commission has stated in earlier investigations, the most appropriate price comparisons for this industry are delivered prices of British and domestic PC strand to producers in those urban areas for which comparable data are available. All parties agree with this position. 24/

19/ Report, Table 18, p. A-19.

20/ Consumption has increased steadily throughout the period of this investigation and is expected to grow in the near future. Report pp. A-7-8. Again, this contrasts markedly with the situation in the carbon steel industries which we have recently examined.

21/ We also note that at the same time that the market penetration of British PC strand has decreased, imports from "other countries" have substantially increased their share of domestic consumption. Report, Table 18, p. A-19.

22/ Report, Table 19, p. A-20.

23/ We did not reach the issue of cumulation of the impact of imports from the United Kingdom with that of imports from other countries because we did not find the imports from the United Kingdom to be a contributing cause of material injury. See our discussion on pricing, price suppression/depression, and lost sales, *infra*. Although we did not cumulate imports from the U.K. with imports from other countries, we did consider these imports, to the extent that information was available, as factors in the market which may have contributed to the overall condition of the domestic industry.

24/ Petitioners' Prehearing Brief, p. 33; Transcript, *passim*.

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Table 22 of the Report shows delivered price comparisons for eight markets. For 1982, the data show four instances of overselling, four instances of insignificant underselling, and one instance of underselling. In the market for which the most comparisons are available, the imported PC strand did not undersell the domestic product during any quarter for which information is available. Recognizing the limitations of other pricing data presented in the Report (Tables 20 and 21), we note that these data generally show overselling. 25/

None of the pricing data developed in this investigation show a pattern of underselling by the imported product, nor do they reflect an aggressive pricing policy on the part of the importer. The declining market share held by U.K. imports in 1982, as compared to 1981, supports this conclusion.

Information gathered in response to the domestic industry's allegations of price suppression/depression and lost sales fails to support those allegations. 26/ Of the four allegations of price suppression/depression during 1982, only one was confirmed by the staff. The Commission investigated three of the four alleged lost sales submitted during the final investigation. Each of these instances occurred in 1982. In only one of the three instances, was the sale lost due to price. 27/ 28/

25/ See discussion regarding the limitations of data in the Report, pp. A-21, A-23, and A-24.

26/ Report, pp. A-25-29.

27/ Report, pp. A-28-29.

28/ In response to Commission questionnaires, strand purchasers again noted factors other than price which influence their purchasing decisions, including availability of service, delivery time, proximity of the vending firm, and quality of the product. Report, p. A-25.

Based on the foregoing, we find that imports of PC strand from the United Kingdom are not a cause of material injury to the domestic industry.

Threat of material injury by reason of the subsidized imports

With respect to threat of material injury, the Commission examines, among other factors, demonstrable trends in the following areas: (1) rate of increase in importation of the dumped merchandise in the United States market; (2) importer's inventories; (3) capacity in the exporting country to generate exports; and (4) the likelihood that such exports will be directed to the United States market, taking into account the availability of other export markets. 29/

Imports of PC strand from the United Kingdom are relatively small in terms of both apparent domestic consumption and imports. 30/ Imports from the United Kingdom have decreased significantly during the period January-September 1982 when compared to the same period in the preceding year. 31/ Inventories held by the importer of British PC strand have decreased significantly since 1979 and declined precipitously during 1982. 32/ The absolute level of inventories is insignificant. British capacity utilization for PC strand has been increasing. 33/ British consumption of PC strand is also increasing. There is no evidence on the record that the British producers plan to increase their exports to the United States, and there is no

29/ Section 207.26 of the Commission's rules (19 CFP § 207.26); H.P. Rep. 96th 317, 96th Cong., 1st sess., 46 (1979); Stainless Steel Sheet and Strip from West Germany, Inv. No. 731-TA-92 (Preliminary), USITC Pub. 1252 pp. 14-15 (1982).

30/ Report Tables 18 and 19, pp. A-19 and A-20.

31/ Report, Table 19, p. A-20.

32/ Report, p. A-18.

33/ Report, pp. A-10-11.

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reason to believe that other export markets for U.K. strand will be restricted significantly. Therefore, we find that imports of PC strand from the United Kingdom pose no threat of material injury to the domestic industry.

XIII

INFORMATION OBTAINED IN THE INVESTIGATION

Introduction

On March 4, 1982, counsel for six U.S. producers 1/ of prestressed concrete steel wire strand filed petitions with the U.S. International Trade Commission and the U.S. Department of Commerce (Commerce) alleging that an industry in the United States is materially injured, or is threatened with material injury, by reason of imports of prestressed concrete steel wire strand (PC strand), provided for in item 642.11 of the Tariff Schedules of the United States (TSUS), from the United Kingdom, which are allegedly sold at less than fair value (LTFV). Accordingly, the Commission instituted preliminary antidumping investigation No. 731-TA-89 (Preliminary), under section 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)) to determine whether there was a reasonable indication that an industry in the United States was materially injured, or was threatened with material injury, or the establishment of an industry in the United States was materially retarded, by reason of the importation of such merchandise into the United States. On April 14, 1982, the Commission determined that there was a reasonable indication that an industry in the United States was materially injured or threatened with material injury 2/ by reason of the alleged LTFV imports from the United Kingdom (47 F.R. 18200, Apr. 28, 1982).

On October 6, 1982, Commerce made a preliminary determination that prestressed concrete steel wire strand from the United Kingdom is being sold, or is likely to be sold, in the United States at LTFV, as provided for in section 733 of the Tariff Act of 1930 (19 U.S.C. § 1673) (47 F.R. 44132). Accordingly, on October 15, 1982, the Commission instituted investigation No. 731-TA-89 (Final), pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)), to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of such merchandise into the United States. The Department of Commerce made its final determination that PC strand from the United Kingdom is being, or is likely to be, sold at less than fair value on December 20, 1982 (47 F.R. 56690). 3/ Therefore, as directed by the statute, the Commission must render its final determination concerning injury in this case 120 days after the day on which it received notification from Commerce of its affirmative preliminary determination, or by February 2, 1983.

In connection with the Commission's investigation, a public hearing was held in the Commission's hearing room in Washington, D.C., on January 4, 1983. 4/ Notice of the institution of the investigation and of the public

1/ American Spring Wire Corp., Armco Inc., Bethlehem Steel Corp., Florida Wire & Cable Co., Pan American Ropes, Inc., and Shinko Wire America, Inc.

2/ Commissioners Alberger and Haggart found a reasonable indication of present material injury only.

3/ A copy of the Department of Commerce's final determination is presented in app. A.

4/ A list of witnesses appearing at the hearing is presented in app. B.

hearing was duly given by posting copies of the notice in the Office of the Secretary, U.S. International Trade Commission, Washington, D.C., and by publishing the notice in the Federal Register of October 27, 1982 (47 F.R. 47707). 1/ The Commission voted on this investigation on January 25, 1983. 2/

The Product

Steel wire strand for prestressed concrete is produced from uncoated round high-carbon steel wire which has been cold-drawn from wire rods to suitable sizes and then fabricated into the required strand sizes by a stranding machine. After fabrication, the strand is subjected to a continuous heat treatment, which relaxes the stresses built up in the individual wires of the strand as a result of the drawing and stranding processes. The resultant steel wire strand consists of one center wire and six helically placed outer wires. Steel wire strand for prestressed concrete is available in two grades, 250 and 270, which refer to minimum ultimate stress (tensile strength) of 250,000 pounds per square inch (psi) and 270,000 psi, respectively. According to the American Concrete Institute, both grades of prestressed concrete strand conform to American Society for Testing & Materials specification A416-74, "Uncoated seven-wire stress-relieved strand for prestressed concrete," and are generally available in the following sizes: 3/

Nominal diameter

1/4 in (0.250 in, 6.35 mm)
 5/16 in (0.313 in, 7.94 mm)
 3/8 in (0.375 in, 9.53 mm) 1/
 7/16 in (0.438 in, 11.11 mm) 1/
 1/2 in (0.500 in, 12.70 mm) 1/
 3/5 in (0.600 in, 15.24 mm) 1/

1/ Sizes predominantly used by the industry.

The 1/2-inch strand accounts for about 90 percent of the U.S. market, and is offered for sale in at least one grade by every domestic producer and the one importer (table 1). However, as shown, the availability of other sized PC strand varies widely among the individual firms. An argument has been raised in this investigation by Springfield Industries (Springfield), the major importer, that its product is superior to that of the U.S. producers,

1/ A copy of the Commission's notice of institution is presented in app. C.

2/ There have been a number of other Commission investigations concerning PC strand. These are discussed in app. D.

3/ Grade 270 is generally not available in diameters of 1/4 and 5/16 inch.

particularly because it does not sell welded strand. 1/ With the exception of Bethlehem (* * *) and CF&I (* * *) all other domestic producers either sell weld-free strand as a matter of course, or will do so upon the customer's request. 2/

Most prestressed concrete steel wire strand is sold coiled in standard packs of 12,000 feet of continuous strand. Steel wire strand is purchased by construction firms which tension the strand nearly to its elastic limit and use it to compress concrete to provide increased resistance to loads. Prestressed concrete is widely used in the construction of bridge girders, beams, pilings, and railroad ties, as well as in a variety of building products, such as columns, roofs, and floors.

Pretensioning and posttensioning are the methods used to prestress concrete. In pretensioning, steel wire strands are stretched between abutments; concrete is then poured into forms which encase the steel wire strands and is allowed to harden and bond to the tensioned steel. After the concrete has reached a specified strength, the strands are cut off at the ends of the concrete unit and the steel wire strand contracts. The contraction of the strand forces the concrete to contract and bow slightly. As a result, the load-bearing capability of the concrete is substantially increased. Plain concrete has a load-bearing capability of 2,500 psi; reinforced concrete, a capability of 3,000-4,000 psi; and prestressed concrete, a capability of 5,000-6,000 psi. By using large volumes of prestressed concrete steel wire strand, load limits of 10,000 psi have been achieved in prestressed concrete.

In posttensioning, strand is encased in tubing or wrapped, positioned in a form, and concrete is poured into the form. When the concrete sets and reaches a specified strength, the steel wire strand in the concrete unit is then stretched and anchored at the ends of the concrete unit. Stress is transferred to the concrete by the permanent end anchorages. In general, posttensioned prestressed concrete is stronger because it uses four to five times more strand than pretensioned concrete. This factor, combined with the greater ease of shipping steel wire strand alone compared with concrete with strand inside, has resulted in a greater use of posttensioning for beams, bridges, and other large units, which are generally formed on the building site. In contrast, pretensioned concrete is used more extensively in the construction of building decks, floors, and walls, which can be mass-produced in a plant and transported.

U.S. Tariff Treatment

Imported steel wire strand for prestressing concrete is classifiable under item 642.11 of the TSUS. As a result of the agreements made during the

1/ See transcript of the conference, investigations Nos. 701-TA-152-153 and 731-TA-89 (Preliminary), pp. 124, 125.

2/ See exhibit 2, Prehearing Statement of American Spring Wire, . . . ; and telephone conversations between the Commission's staff and CF&I and Sumiden of Jan. 6, 1983.

Table 1.--Prestressed concrete steel wire strand: Grades and sizes of PC strand offered for sale by U.S. producers and the importer, by firms, by types

Grade and size	U.S. Producers							Importer
	American Spring Wire 1/	Armco 1/	Bethlehem 1/	CF&I 2/	Florida Wire & 1/ Cable	Shinko 1/	Sumiden 3/	Springfield 4/
250 K:								
1/4 inch-----		S.R.	S.R.	S.R.				
5/16 inch-----		S.R.	S.R.	S.R.	S.R.			S.R.
3/8 inch-----		S.R.	S.R.	S.R.	S.R.			S.R.
7/16 inch-----	S.R.	S.R.	S.R.	S.R.	S.R.			S.R.
1/2 inch-----	S.R.	S.R.	S.R.	S.R.	S.R.			S.R.
9/16 inch-----								
3/5 inch-----		S.R.						
270 K:								
1/4 inch-----							S.R./L.R.	
5/16 inch-----								
3/8 inch-----		S.R./L.R.	S.R.	S.R.	S.R./L.R.		S.R./L.R.	S.R.
7/16 inch-----	S.R./L.R.	S.R./L.R.	S.R.	S.R.	S.R./L.R.		S.R./L.R.	S.R./L.R.
1/2 inch-----	S.R./L.R.	S.R./L.R.	S.R.	S.R.	S.R./L.R.	S.R.	S.R./L.R.	S.R./L.R.
9/16 inch-----	S.R./L.R.				S.R./L.R.			
3/5 inch-----	S.R./L.R.	S.R./L.R.			S.R./L.R.		S.R./L.R.	S.R./L.R.

1/ Information obtained from Prehearing Statement of American Spring Wire . . . ; pp. 28-29.

2/ Information obtained from conversation with Mr. Leo Farrell and Mr. Ed Overton of CF&I on Jan. 6, 1983.

3/ Information obtained from conversation with Mr. Yoshio Yamada of Sumiden on Jan. 6, 1983.

4/ Information obtained from conversation with Mr. Christopher Parkinson of Springfield Industries on Jan. 6, 1983.

Source: Compiled from information provided to the staff of the U.S. International Trade Commission.

Note.--Slow relaxation (also known as standard or normal relaxation) is indicated by S.R.; Low-relaxation is indicated by L.R.

4
BEST DOCUMENT AVAILABLE

Tokyo round of trade negotiations, the most-favored-nation (MFN) (col. 1) 1/ rate of duty for this item was reduced from 7.5 percent ad valorem, effective from January 1, 1972, through December 31, 1979, to 7.2 percent ad valorem, effective January 1, 1980, to 6.9 percent ad valorem, effective January 1, 1981, to 6.5 percent ad valorem, effective January 1, 1982, and to 6.2 percent ad valorem, effective January 1, 1983. This MFN rate of duty is scheduled to be further reduced in stages to the final rate of 4.9 percent ad valorem, effective January 1, 1987. The rate of duty for imports under this item from least developed developing countries (LDDC's) 2/ is the final rate of 4.9 percent ad valorem. The column 2 rate 3/ of duty is 35.0 percent ad valorem. Imports under this item have not been designated as articles eligible for duty-free entry under the Generalized System of Preferences (GSP). 4/

Nature and Extent of Sales at Less Than Fair Value

As stated, the Department of Commerce published its final determination of sales at LTFV concerning imports of PC strand from the United Kingdom on December 20, 1982. The full text of Commerce's determination is presented in appendix A of this report.

To determine whether sales of PC strand in the United States were made at LTFV, Commerce compared the United States price with the foreign market value. Commerce limited its investigation to Bridon Wire Ltd., the only firm known by Commerce to have exported PC strand to the United States during the review period. Commerce's investigation covered the period July 1-December 31, 1981, for purchase price sales, and October 1, 1981-March 31, 1982, for exporter's sales price transactions. Commerce found that the United States price was lower than the foreign market value in all sales examined. LTFV margins ranged from 15.37 percent to 150.49 percent; the weighted average margin on all sales compared was 33.89 percent. 5/

1/ Col. 1 rates of duty are applicable to imported products from all countries except those Communist countries and areas enumerated in general headnote 3(f) of the TSUS. However, these rates would not apply to products of developing countries where such articles are eligible for preferential tariff treatment provided under the Generalized System of Preferences or under the "LDDC" rate of duty column.

2/ The preferential rates of duty in the "LDDC" column reflect the full U.S. Multilateral Trade Negotiations concession rates implemented without staging for particular items which are the products of LDDC's enumerated in general headnote 3(d) of the TSUS.

3/ Col. 2 rates of duty apply to products imported from those Communist countries and areas enumerated in general headnote 3(f) of the TSUS.

4/ The GSP, enacted as title V of the Trade Act of 1974, provides duty-free treatment for specified eligible articles imported directly from designated beneficiary developing countries. GSP, implemented in Executive Order No. 11888, of Nov. 24, 1975, applies to merchandise imported on or after Jan. 1, 1976, and is scheduled to remain in effect until Jan. 4, 1985.

5/ Although Commerce only examined exports from Bridon Wire Ltd. (now named British Ropes Ltd.), a dumping order would apply to all exports from the United Kingdom.

The U.S. Market

Demand for prestressed concrete (and consequently for steel wire strand for prestressed concrete) has increased steadily since 1950, as prestressed concrete has replaced structural steel as a building material in many applications due to its lower cost and greater strength compared with reinforced concrete. In addition, construction with prestressed concrete requires less steel and less concrete than other methods of constructing columns, beams, walls, panels, and floor and roof slabs.

According to the Prestressed Concrete Institute (PCI), prestressed concrete accounted for 7 percent of total U.S. construction of walls, floors and roofs in 1973 and is projected to account for 30 percent of such construction in 1982. Currently it accounts for approximately 6 percent of the sales value of the portland cement industry. However, only 2.5 percent of U.S. production of steel wire rod, the basic raw material used in the production of prestressed concrete steel wire strand, was used for this purpose in 1981.

Both domestic producers and importers sell steel wire strand for prestressed concrete directly to about 200 prestressed concrete contractors, which together operate more than 400 plants. The contractors either produce the concrete unit containing strand at a factory and then transport and install it at the building site (pretensioning), or transport the strand to the building site, where it is installed and tensioned within the concrete unit which has been poured on site (posttensioning). Pretensioning contractors accounted for about 75 percent of the market, and posttensioning contractors, of which there are about 10, accounted for about 25 percent of the market in 1981.

U.S. consumption of prestressed concrete steel wire strand increased irregularly from 217 million pounds in 1966 to 441 million pounds in 1973, representing an average annual rate of growth of 10.7 percent. There was a strand shortage in 1973 and 1974, which was a peak period for heavy construction in the United States. In response to the chaotic market conditions which existed at that time--higher prices, longer delivery times, and no certainty regarding sources of supply--strand production capacity was expanded both in the United States and in other countries. This expansion was followed by the 1975 recession, which had a particularly severe impact on major construction projects and, consequently, depressed demand for prestressed concrete strand. U.S. consumption of strand fell by 48 percent from 1973 to 1976, when it totaled 229 million pounds, and subsequently increased irregularly to * * * million pounds in 1981, or by an average annual rate of growth of * * * percent during 1976-81. The level obtained in 1981 was * * * percent below the level obtained during the peak year of 1973. In

January-September 1982, U.S. consumption continued to increase and was * * * percent higher than the level of consumption in the corresponding period of 1981, as shown in the following tabulation (in millions of pounds): 1/

Period	:	Consumption	::	Period	:	Consumption
	:		::		:	
1966-----	:	217	::	1976-----	:	229
1967-----	:	205	::	1977-----	:	291
1968-----	:	257	::	1978-----	:	375
1969-----	:	244	::	1979-----	:	***
1970-----	:	351	::	1980-----	:	***
1971-----	:	<u>1/</u>	::	1981-----	:	***
1972-----	:	386	::	January-September--	:	
1973-----	:	441	::	1981-----	:	***
1974-----	:	433	::	1982-----	:	***
1975-----	:	254	::		:	
	:		::		:	

1/ Not available.

According to projections by the Prestressed Concrete Institute and by Frederick Hunt, vice president of Florida Wire, U.S. consumption of prestressed concrete steel wire strand is expected to increase at an average rate of 5 to 6 percent a year for the next few years. 2/ However, Mr. Hunt has stated that the market has been relatively constant over the recent time period. 3/ During the next 2 years, U.S. consumption of strand is expected to grow in the following markets: bridges, interstate highways, condominiums, apartments, parking garages, Government buildings, and airports. Springfield has estimated that the enactment of the "Surface Transportation Assistance Act of 1982" (signed by the President on Jan. 6, 1983) could result in an estimated \$18.48 million per year increase in new demand for domestic PC strand, and an estimated \$11.52 million per year shift of demand from foreign to domestic producers, due to the "Buy American" provisions included in the act. 4/ Springfield states that British Ropes will not participate in these federally funded projects, due to these "Buy American" provisions. 5/

1/ Information in this report was compiled from Steel Wire Strand for Prestressed Concrete From Japan: Determination of Injury in Investigation No. AA1921-188 . . ., USITC Publication 928, November 1978; Prestressed Concrete Steel Wire Strand from Brazil, France, and the United Kingdom: Determinations of the Commission in Investigations Nos. 701-TA-152 and 153 (Preliminary) and No. 731-TA-89 (Preliminary) . . ., USITC Publication 1240, April 1982; Prestressed Concrete Steel Wire Strand from Spain: Determination of the Commission in Investigation No. 701-TA-164 (Final). . ., USITC Publication 1281, August 1982; Prestressed Concrete Steel Wire Strand from France: Determination of the Commission in Investigation No. 701-TA-153 (Final)..., USITC Publication 1325, December 1982; and questionnaire responses in this investigation.

2/ Transcript of the conference for investigations Nos. 701-TA-152 and 153 and 731-TA-89(Preliminary), pp. 47, 48.

3/ Transcript of the hearing for investigations Nos. 701-TA-152 and 153(Final), pp. 42, 63-64.

4/ Posthearing Brief on behalf of Springfield. . .; pp. 8, 9.

5/ Transcript, p. 151.

However, this estimate is disputed by the petitioners, who state that the new act will not result in a significant additional volume available for domestic producers in the foreseeable future. 1/

U.S. producers tend to ship the major portion of their product within geographic areas which are readily accessible from their plants (table 2). 2/ However, producers also make significant shipments to locations which are far outside these areas. An example is * * *, which ships the bulk of its product in the * * *, but also sells significant amounts as far * * *.

Competition among producers varies considerably from State to State. Although one producer may be virtually the only domestic competitor in some markets * * *, (for example), there is sharp competition between domestic producers in others. * * * domestic producers compete in Texas, as well as imports from the United Kingdom and approximately 10 other countries.

As shown, imports from the United Kingdom were shipped to * * * supplied by each domestic producer in 1981. These shipments were sent to every major geographic area of the United States, with the exceptions of the * * *.

Table 2.--Prestressed concrete steel wire strand: U.S. producers' and importers shipments, by States, 1981

* * * * *

1/ Posthearing statement of American Spring Wire. . .; pp. 5-6, exhibit 3.

2/ Plant locations of U.S. producers are presented in table 2.

U.S. Producers

There are currently seven firms which produce prestressed concrete steel wire strand in the United States. The names of the producers, their plant locations, and their shares of shipments in 1981 are presented in table 3.

Table 3.--Prestressed concrete steel wire strand: U.S. producers' plant locations, year production began, and share of shipments in 1981

Firm	Plant location	Year production began	Share of 1981 shipments
			Percent
American Spring Wire Corp----	Bedford Heights, Ohio	1975	***
Armco Inc-----	Kansas City, Mo.	1950	***
Bethlehem Steel Corp-----	Sparrows Point, Md.	1958	***
CF&I Steel Corp-----	Pueblo, Colo.	1957	***
Florida Wire & Cable Co-----	Jacksonville, Fla.	1959	***
Pan American Ropes, Inc 1/----	Houston, Tex.	1980	***
Shinko Wire American, Inc----	Houston, Tex.	1980	***
Sumiden Wire Product Corp----	Stockton, Calif.	1980	***
Total-----	-	-	100.0

1/ Pan American Ropes, Inc., filed for bankruptcy on Aug. 12, 1982, and ceased production of prestressed concrete strand. This action is discussed in more detail later in this section.

Source: Compiled from data submitted in response to questionnaires of the U.S. International Trade Commission and from information submitted by counsel for the petitioners.

Three of the companies (Armco, Bethlehem, and CF&I) are integrated steel producers manufacturing a wide range of steel products, including wire rod. The remaining five are independent producers which purchase wire rod for use in fabricating strand and other wire products. In 1981, the integrated producers accounted for * * * percent of total U.S. producers' shipments, and the independent producers, for * * * percent.

Steel wire strand for prestressed concrete was first produced in the United States in 1950 by Union Wire Rope Co. of Kansas City, Mo. (now owned by Armco). Bethlehem began production in 1958. By 1960, there were about 11 producers in the United States; most ceased production in the late 1960's and early 1970's.

In 1980, Shinko Wire Corp., Ltd., and Sumitomo Electric Industries, Ltd., * * * Japanese producers of prestressed concrete steel wire strand, opened production facilities in the United States. These two firms accounted for about * * * percent of the imports of strand which were found to be sold at less than fair value (LTFV) during the 1978 antidumping investigation. The

two new U.S. plants opened by these firms are located in Texas and California, two prime markets for prestressed concrete steel wire strand, and utilize the most modern and up-to-date machinery. In May 1981, a Canadian steel concern, Ivaco, acquired an 80-percent interest in Florida Wire, the largest U.S. producer of PC strand.

As mentioned earlier, Pan American Ropes, Inc., 1/ a firm which began to produce small quantities of the product in 1980, filed for bankruptcy under chapter 11 on August 12, 1982. 2/ The firm's president, Mr. S.K. Tripathi, said * * *. 3/

Foreign Producers

Three firms are known to produce prestressed concrete steel wire strand in the United Kingdom. These firms are Allied Steel & Wire Ltd. (previously Somerset Wire), British Ropes Ltd., 4/ and Johnson & Nephew (Ambergate) Ltd. Only the latter two firms export strand from the United Kingdom to the United States, 5/ and British Ropes accounts for more than 95 percent of such exports. 6/

Production of prestressed concrete steel wire strand in the United Kingdom decreased from 60 million pounds in 1979 to 38 million in 1980 (table 4). The British Independent Steel Producers Association (BISPA) attributes this * * *. 7/ In 1981, production recovered to 49 million pounds, utilizing 65 percent of the country's 75 million pounds of productive capacity. Production then rose from 35 million pounds in January-September

1/ Pan American Ropes, Inc., is one of the petitioners in this investigation.

2/ An additional U.S. producer, Washburn Wire Products, Inc., filed for bankruptcy in January 1981. Details of this firm's closing are presented in Prestressed Concrete Steel Wire Strand from France, Final Report to the Commission, investigation No. 701-TA-153 (Final).

3/ * * *.

4/ Bridon Wire Ltd. merged with its associated company, British Ropes Ltd., on Jan. 1, 1983. The new firm is named British Ropes Ltd., and the merger resulted in one administration instead of two. The company continues to sell PC strand under the Bridon name, however. Transcript, pp. 123, 129-130.

5/ Commerce made no finding regarding imports from Johnson & Nephew although that firm would be covered by a dumping order.

6/ Transcript, p. 124.

7/ Mr. Angus McDonnell of British Ropes stated that his firm * * *. See Springfield submission of January 11, 1983, document 8.

1981 to 39 million pounds in January-September 1982, or by 13 percent. ^{1/} Capacity utilization also increased over the period, from 61 percent to 78 percent. The capacity utilization level achieved in 1982 is due in part to a 12 percent reduction in annual capacity, to 66 million pounds. ^{2/} No change in capacity is expected in 1983.

BISPA has stated that overall production in 1982 is expected to be 5 percent greater than it was in 1981, and that home market sales are expected to increase by up to 10 percent in 1983.

Table 4.--Prestressed concrete steel wire strand: The United Kingdom's production and exports, 1979-81, January-September 1981, and January-September 1982

Item	1979	1980	1981	January-September--	
				1981	1982
Production-million pounds----	60.0	38.1	49.3	34.5	38.8
Exports to-----					
United States					
million pounds----	7.8	0.42	11.2	8.1	4.2
European Community---do----	5.9	4.8	2.4	1.9	1.0
Other countries-----do----	17.6	10.2	7.1	4.4	7.9
Total-----do----	31.3	15.4	20.8	14.4	13.2
Exports to the United States as a share of--					
Production-----percent--	13	1	23	23	11
Exports-----do----	25	3	54	56	32

Source: Compiled from data submitted by the British Independent Steel Producers Association.

Note.--Because of rounding, figures may not add to the totals shown.

The Importer

Springfield Industries Corp., a subsidiary of British Ropes, accounted for at least 95 percent of the subject imports from the United Kingdom in 1981. Springfield is the sole distributor of PC strand for British Ropes in the United States, and all transactions with British Ropes are at arm's length. ^{3/} Springfield is also the largest importer of prestressed concrete steel wire strand from South Africa. Springfield distributes the product directly to pretensioning and posttensioning contractors in major U.S. markets. In 1981, about * * * percent of Springfield's sales were in the * * *

^{1/} Department of State cable dated Dec. 20, 1982.

^{2/} A spokesman for Bridon stated that his firm, for example, closed 1 plant at the end of 1981. This plant is being completely demolished, and the equipment has been cannibalized. Transcript, pp. 156, 157.

^{3/} Transcript, p. 131.

* * * area of the country, and another * * * were in the * * *. Other sales were in the * * * and the * * * areas, as shown in table 2.

The Question of Alleged Material Injury

To obtain information for this section of the report, the Commission sent questionnaires to all known current U.S. producers of prestressed concrete steel wire strand. Data on these producers for January 1979 through September 1982 are presented in this report. Data going back to 1974 on capacity, production, capacity utilization, producers' shipments, inventories, employment, hours worked, profit-and-loss experience, research and development, and capital expenditures obtained by the Commission from questionnaires in prior investigations on prestressed concrete steel wire strand are also available, but not included in this report. However, these data have been published in several recent reports, including Prestressed Concrete Steel Wire Strand from France . . ., USITC Publication 1325, December 1982; and Prestressed Concrete Steel Wire Strand from Spain. . ., USITC Publication 1281, August 1982.

U.S. producers' capacity and production

U.S. producers' capacity to produce prestressed concrete steel wire strand increased steadily from * * * million pounds in 1979 to * * * million pounds in 1980, and to * * * million pounds in 1981, or by * * * percent over the period (table 5). Capacity increased from * * * million pounds in January-September 1981 to * * * million pounds in January-September 1982, or by * * * percent. The January-September 1982 capacity, when annualized, represents the greatest level (* * * million pounds) reached by the industry to date, and * * * percent increase over that in 1979. About * * * percent of the total increase in U.S. productive capacity can be attributed to the steady expansion of Florida Wire's annual capacity from * * * million pounds in 1979 to * * * million pounds in 1982.

Table 5.--Prestressed concrete steel wire strand: U.S. producers' capacity and production, 1979-81, January-September 1981, and January-September 1982

* * * * *

An additional * * * percent of the increase in productive capacity resulted from the opening of new plants in 1980 by Sumiden (* * *), and Shinko (* * *). The other * * * percent of the increase in capacity from 1979 to 1982 is accounted for by an increase of * * * million pounds in * * * capacity over the period.

The basis on which each firm estimated its capacity in response to questionnaires sent in connection with this investigation is presented in the following tabulation:

<u>Firm</u>	<u>Hours per week</u>	<u>Weeks per year</u>
Spring Wire	***	***
Armco	***	***
Bethlehem	***	***
CF&I	***	***
Florida Wire & Cable	***	***
Shinko	***	***
Sumiden	***	***

U.S. production of prestressed concrete steel wire strand increased from *** million pounds in 1979 to *** million pounds in 1980, and to *** million pounds in 1981, or by *** percent. However, production fell by *** percent from January-September 1981 to January-September 1982, from *** million pounds to *** million pounds. All producers except *** reported increases in production from 1979 to 1981 (table 6). ^{1/} However, *** reported decreases in production in 1982; *** and *** reported increases; and *** remained about the same.

Table 6.--Prestressed concrete steel wire strand: U.S. producers' capacity and production, by firms, ^{1/} 1979-81, January-September 1981, and January-September 1982

* * * * *

Utilization of U.S. producers' capacity to produce prestressed concrete steel wire strand declined from *** percent in 1979 to *** percent in 1980, and then rose to *** percent in 1981. Capacity utilization during January-September 1982 was *** percent, a decline from that of *** percent during January-September 1981, and ***. This low level is attributable to a *** million pound increase in capacity during the period, while production declined. Of the *** firms which increased capacity during this period, *** continued production at comparable 1981 levels while increasing capacity by *** million pounds; *** increased capacity by *** million pounds while increasing production by *** million pounds; and *** increased capacity by *** million pounds while its production rose by *** million pounds.

^{1/} ***.

U.S. producers' shipments

U.S. producers' shipments of prestressed concrete steel wire strand followed the same trend as production, rising from 1979 to 1981, and then decreasing in January-September 1982 from that of January-September 1981 (table 7). Shipments increased from * * * million pounds in 1979 to * * * million pounds in 1981, or by * * * percent, but then declined by * * * percent from * * * million pounds in January-September 1981 to * * * million pounds in January-September 1982. Exports accounted for only a minor share of U.S. producers' shipments during the period of January 1979-September 1982.

Table 7.--Prestressed concrete steel wire strand: U.S. producers' shipments, 1979-81, January-September 1981, and January-September 1982

* * * * *

Inventories

Yearend inventories of prestressed concrete steel wire strand held by U.S. producers increased slightly from * * * percent of shipments in 1979 to * * * percent in 1981 (table 8). Inventories increased from * * * percent of annualized shipments on September 30, 1981, to * * * percent of annualized shipments on September 30, 1982.

Table 8.--Prestressed concrete steel wire strand: U.S. producers' shipments and inventories, 1979-81, January-September 1981, and January-September 1982

* * * * *

Employment

There were * * * more production and related workers engaged in the production of prestressed concrete steel wire strand in 1981 than in 1979 (table 9). The total number of hours worked by such workers increased from * * * in 1979 to * * * in 1981. The average number of hours worked per employee rose from * * * hours in 1979 to * * * hours in 1981. Productivity also increased throughout the period, rising from * * * pounds per hour in 1979 to * * * pounds per hour in 1981. The average hourly total compensation

Table 9.--Average number of U.S. production and related workers engaged in the manufacture of prestressed concrete steel wire strand, hours worked by such workers, wages paid, total compensation, and productivity, 1979-81, January-September 1981, and January-September 1982

* * * * * * *

received by employees in the industry increased from * * * in 1979 to * * * in 1981. Employment and hours worked both decreased in January-September 1982 from January-September 1981 levels. Employment dropped by * * * workers to * * *, the lowest level during the period January 1979 to September 1982; hours worked declined from * * * in January-September 1981 to * * * in January-September 1982. The average hourly total compensation paid to those workers increased from * * * in January-September 1981 to * * * in January-September 1982. Productivity also increased, from * * * pounds per hour in January-September 1981 to * * * pounds per hour in January-September 1982. The average hourly total compensation received by employees of Sumiden and Shinko, two new entrants in the prestressed concrete steel wire strand market, was * * * per hour in 1981 (table 10). By comparison, workers at Armco, Bethlehem, and CF&I, ¹/ three large integrated steel producers, received an average of * * * per hour in total compensation in 1981.

Table 10.--Average number of U.S. production and related workers engaged in the manufacture of prestressed concrete steel wire strand, hours worked by such workers, wages paid, total compensation, and productivity, by firms, 1979-81, January-September 1981, and January-September 1982

* * * * * * *

Financial experience of U.S. producers

Total net sales of prestressed concrete steel wire strand by U.S. producers increased from * * * million in 1979 to * * * million in 1981, or by * * * percent (table 11). Net sales decreased by * * * percent in January-September 1982 compared with sales in the corresponding period of 1981, owing to the * * * percent decrease in the volume of shipments during the period. Net profit before taxes dropped precipitously, by * * * percent, from * * * million in 1979 to * * * in 1981. The ratio of net profit before taxes to net sales fell from * * * percent in 1979 to * * * percent in 1981.

¹/ Employees at these three firms are unionized, while those at American Spring Wire, Florida Wire and Cable, Shinko, and Sumiden are not.

Table 11.--Profit-and-loss experience of U.S. producers on their operations on prestressed concrete steel wire strand, 1979-81, January-September 1981, and January-September 1982

* * * * *

The decrease in profitability in 1980 can be attributed, in part, * * * (table 12). In 1981, net profit for all firms decreased again to * * *, or * * percent of net sales. * * *.

During January-September 1982, U.S. producers sustained an aggregate net loss of * * *, or * * * percent of net sales, compared with a pre-tax net profit of * * * million, or * * * percent of net sales, for the corresponding period of 1981. The number of firms reporting losses increased from * * * in 1979 to * * * in 1980, * * * in 1981, and * * * in January-September 1982. * * *.

Table 12.--Profit-and-loss experience of U.S. producers on their operations on prestressed concrete steel wire strand, by firms, 1979-81, January-September 1981, and January-September 1982

* * * * *

Rod prices.--High-carbon steel wire rod constitutes about 60 percent of the cost of producing prestressed concrete steel wire strand. U.S. producers' average purchase price for rod rose by * * * percent from January 1979 to January-September 1982, 1/ as shown in the following tabulation (in cents per pound):

Period	:	Unit value
1979-----	:	***
1980-----	:	***
1981-----	:	***
1982 (January-September)-----	:	<u>1/</u> ***

1/ Does not include data on CF&I or Sumiden, which did not provide wire rod prices on a January-September basis.

Information on U.S. producers' average purchase prices of rod, by firms, is shown in table 13.

Table 13.--U.S. producers' average purchase prices of steel wire rod used in the production of prestressed concrete steel wire strand, by firms, 1979-81, January-September 1981, and January-September 1982

* * * * *

Interest expenses.--Data on U.S. producers' interest expenses on their operations on prestressed concrete steel wire strand are presented in table 14. Total interest expenses increased from * * * million in 1979 to * * * million in 1981. Such expenses declined from * * * million in January-September 1981 to * * * in January-September 1982, or by * * * percent.

Table 14.--Prestressed concrete steel wire strand: U.S. producers' interest expenses, by types, 1979-81, January-September 1981, and January-September 1982

* * * * *

Return on investment.--Data on U.S. producers' assets used in the production of prestressed concrete steel wire strand are presented in table 15. U.S. producers' return on investment, as measured by the ratio of net profit or (loss) before taxes to original cost of assets, decreased from * * * percent in 1979 to * * * percent in January-September 1982.

Table 15.--Investments in assets used in productive facilities by U.S. producers of prestressed concrete steel wire strand, as of the end of accounting years 1979-81, January-September 1981, and January-September 1982

* * * * *

Cash flow from operations.--Cash flow generated from U.S. producers' operations on prestressed concrete steel wire strand, as shown in table 16, decreased from * * * million in 1979 to * * * million in 1980, or by * * * percent. It remained at * * * million in 1981 and dropped from * * * million in January-September 1981 to * * * million in January-September 1982, or by * * * percent.

Table 16.--Cash flow from U.S. producers' operations producing prestressed concrete steel wire strand, 1979-81, January-September 1981, and January-September 1982

* * * * *

Research and development and capital expenditures

U.S. producers' research and development expenditures connected with prestressed concrete steel wire strand increased from * * * in 1979 to * * * in 1981, or by * * * percent (table 17). Capital expenditures by these producers declined from * * * million in 1979 to * * * million in 1981, or by * * * percent. * * *. During January-September 1982, capital expenditures * * * to * * * million from * * * million in the corresponding period of 1981. During January-September 1982, * * * spent * * * million and * * * spent * * * million for land, building, machinery, and equipment, accounting for * * * percent and * * * percent of reported aggregate capital expenditures, respectively.

Table 17.--Prestressed concrete steel wire strand: U.S. producers' research and development and capital expenditures, 1979-81, January-September 1981, and January-September 1982

* * * * *

The Question of the Threat of Material Injury

Data on Springfield's end-of-period inventories of PC strand imported from the United Kingdom are presented in the following tabulation:

Period	Inventories	Inventories as a share of import shipments
	<u>1,000 pounds</u>	<u>Percent</u>
1979-----	***	***
1980-----	***	***
1981-----	***	***
Sept. 30--		
1981-----	***	1/
1982-----	***	1/

1/ Based on annualized shipments.

Inventories decreased irregularly during the period 1979-81, and then decreased sharply from January-September 1981 to January-September 1982.

Inventories as a share of import shipments varied considerably, from * * * percent in 1980 to * * * percent in 1981 and * * * percent in January-September 1982.

Data concerning production, capacity, and exports of PC strand for the United Kingdom are presented in the "Foreign Producers" section of this report. Data regarding imports from the United Kingdom are presented in the "U.S. imports" section that follows:

Consideration of the Causal Relationship Between Subsidized Imports and the Alleged Injury

U.S. imports

Total U.S. imports of prestressed concrete steel wire strand decreased from 226 million pounds in 1979 to 143 million pounds in 1981, or by 37 percent (table 18). Imports totaled 135 million pounds in January-September 1982, representing a 29-percent increase from the January-September 1981 level of 104 million pounds.

Table 18.--Prestressed concrete steel wire strand: U.S. imports for consumption, by principal sources, 1979-81, January-September 1981, and January-September 1982

Country	1979	1980	1981	January-September--	
				1981	1982
	Quantity (1,000 pounds)				
United Kingdom-----	6,741	650	9,809	6,831	5,338
Brazil-----	12,704	7,809	13,680	10,163	9,998
France-----	3,343	2,352	6,148	5,488	3,132
South Africa-----	16,825	16,682	17,813	14,651	14,805
Spain-----	13,810	15,638	21,064	13,668	22,097
Japan-----	151,600	126,205	59,315	45,016	42,752
Other countries-----	20,846	8,771	15,597	8,675	36,531
Total-----	225,869	178,107	143,426	104,491	134,652
	Value (1,000 pounds)				
United Kingdom-----	1,860	183	2,752	1,913	1,493
Brazil-----	3,072	1,899	3,335	2,487	2,348
France-----	885	665	1,731	1,547	870
South Africa-----	4,545	4,737	4,863	3,960	4,074
Spain-----	3,407	3,968	5,118	3,299	5,329
Japan-----	46,344	36,316	17,414	13,375	11,981
Other countries-----	5,671	2,533	4,118	2,312	9,499
Total-----	65,785	50,302	39,330	28,893	35,593

Source: Compiled from official statistics of the U.S. Department of Commerce.

Imports of prestressed concrete steel wire strand accounted for a decreasing share of U.S. consumption from 1979 to 1981. The ratio of imports to consumption decreased steadily from * * * percent in 1979 to * * * percent in 1981 (table 19). However, imports increased from * * * percent of apparent consumption in January-September 1981 to * * * percent in January-September 1982. This increase is primarily attributable to imports from countries not specified in tables 18 and 19, which more than quadrupled from the former period to the latter. The countries which were primarily responsible for the increase in this category were West Germany, the Netherlands, Italy, Austria, and Argentina.

The following tables present individual import data for those countries which have been found by Commerce to export subsidized or dumped PC strand to the United States. Of these, the United Kingdom is the subject of the present investigation, Brazil and South Africa have signed suspension agreements (Brazil is the subject of an ongoing investigation (No. 701-TA-152(F))), and both Spain and France were found by Commerce to provide subsidies on their exports of PC strand; however, the Commission determined that an industry in the United States was not being materially injured or threatened with material injury by reason of imports from the latter two countries. South Africa imposed an export tax to offset its subsidies on November 21, 1982, under the terms of its suspension agreement. Japan is the subject of an outstanding antidumping order. These individual countries are discussed in more detail in appendix D of this report.

Table 19.--Prestressed concrete steel wire strand: Ratios of U.S. imports and U.S. producers' shipments as a share of consumption, 1979-81, January-September 1981, and January-September 1982

* * * * *

Japan is the largest single source of imports of PC strand into the United States; it supplied 67 percent of total imports in 1979, a share which declined to 32 percent in January-September 1982. However, it remained the largest source of imports, about twice the size of the next largest source, Spain. Imports of strand from all countries, as a share of total imports in 1981, are presented in the following tabulation:

<u>Source</u>	<u>Percent of total</u>
Japan-----	41
Spain-----	15
South Africa-----	12
Brazil-----	10
United Kingdom-----	7
France-----	4
All other-----	11
Total-----	100

Imports of prestressed concrete steel wire strand from all countries decreased by 82 million pounds from 1979 to 1981, and imports from Japan decreased by 92 million pounds.

United Kingdom.--Imports of PC strand from the United Kingdom decreased from 6.7 million pounds in 1979 to 650,000 pounds in 1980, but then increased to 9.8 million pounds in 1981, or by 45.5 percent over that in 1979. Imports declined by 21.9 percent from January-September 1981 to January-September 1982, from 6.8 million pounds to 5.3 million pounds. As a share of apparent U.S. consumption, United Kingdom imports declined from * * * percent in 1979 to * * * percent in 1980, and then increased to * * * percent in 1981. Imports then declined from * * * percent of apparent U.S. consumption in January-September 1981 to * * * percent in January-September 1982.

Prices

Although price is a major consideration in determining the purchase source for PC strand, other considerations including product quality, timeliness of delivery, the proximity of the seller, and service also weigh heavily in purchasing decisions. Therefore, significant differences in prices between suppliers may be required to induce purchasers to switch from one supplier to another. A more complete discussion of what buyers reported to be important considerations in their purchasing decisions is included later in this section.

At least five domestic producers announced price increases during 1979-82, with the most recent increase announced in April 1982. However, discounting from published prices of PC strand has become widespread in recent years and list prices are probably not representative of actual transaction prices. * * * indicated that they have not sold at list prices since early 1979. * * * reported that sales at list price have occurred during the period under investigation, but that discounts from list price have increased. 1/ The importing firm, Springfield * * *. 2/

Quarterly price data (both f.o.b. and delivered) were requested from U.S. producers and the importer on their sales to their major customers. U.S. producers were requested to provide the price data for July-September 1982 (quarterly price data for the period January 1979-June 1982 were obtained during previous investigations on PC strand), whereas the importer was requested to provide the price data for January 1979 through September 1982. Seven U.S. producers and the importer provided f.o.b. prices; only four U.S. producers and the importer provided data on delivered prices.

Prices were first examined on an f.o.b. basis. Although these data are suitable for comparing trends, it is questionable whether they are the most appropriate basis for calculating margins of underselling. These prices do not reflect transportation costs, nor do they necessarily reflect competing sales in proximate geographic markets.

1/ Testimony at the hearing for Investigation Nos. 701-TA-152 and 153, PC Strand from Brazil and France, transcript pp. 60-61.

2/ Telephone conversation with Mr. J.A. Salinas, President of Springfield Industries (Springfield), Dec. 1, 1982.

Aggregate domestic weighted average f.o.b. selling prices declined on balance from * * * per 1,000 lineal feet in January-March 1979 to * * * per 1,000 lineal feet in July-September 1982, or by approximately * * * percent (table 20). After falling during 1980 to a low of * * * in 1980, prices increased steadily from October-December 1980 to a peak of * * * in January-March 1982, or by approximately * * * percent. Thereafter, prices decreased by approximately * * * percent, to a low of * * * in July-September 1982.

The importer's weighted average f.o.b. selling price fluctuated but generally decreased from * * * per 1,000 lineal feet in January-March 1979 to * * * per 1,000 lineal feet in July-September 1982, or by approximately * * * percent. Prices of PC strand imported from the United Kingdom reached their highest level in 1979 (* * * per 1,000 lineal feet in April-June) and thereafter generally decreased to a low of * * * in July-September 1982.

Some comparisons between the importer's and the domestic producers' average f.o.b. selling prices are possible. From April-June 1981 through January-March 1982, the importer's price * * *. In contrast, the domestic producers' price * * *. Thereafter (through July-September 1982), the importer's price * * * and the domestic producers' price * * *.

Annual prices of PC strand, sold by domestic producers, decreased by approximately * * * percent from 1979 through 1981, and annual prices of wire rod, the key material input, purchased by domestic PC strand producers increased by approximately * * * percent. From January-September 1981 to January-September 1982, domestic producers' selling prices of PC strand decreased by approximately * * * percent, and domestic producers' purchase prices of wire rod rose by approximately * * * percent. 1/

Table 20.--Prestressed concrete steel wire strand: F.o.b. prices and price ranges of U.S. producers and the importer, by quarters

* * * * *

The aggregate weighted average f.o.b. selling prices of PC strand, presented in table 20, show underselling by the British PC strand in * * * of the * * * quarters for which comparisons were possible. Import prices * * *. Import prices were greater than domestic prices in * * * of the * * * quarters for which comparisons were possible, and ranged from * * * percent to * * * percent of the domestic producers' price.

1/ Annual prices of wire rod and domestic PC strand were calculated from data submitted in response to questionnaires of the U.S. International Trade Commission. Quarterly comparisons were not possible because the questionnaire data for wire rod purchases were requested from domestic PC strand producers on an annual basis and for the first 9 months of 1981 and 1982. Although counsel for the petitioners subsequently submitted wire rod prices by quarter, this submission was received too late to verify and include in this section.

The disaggregated average f.o.b. selling price of PC strand presented in table 20 by each of the seven reporting domestic producers reflect competitive circumstances in different areas of the United States. Prices reported by * * * were less than those of the other * * * reporting producers in every quarter where comparisons were possible, with the exception of * * *. In contrast, prices reported by * * *. Comparisons of price trends across the seven reporting domestic producers * * *.

The disaggregated weighted average f.o.b. selling prices of PC strand, presented in table 20 by each of the seven domestic producers and by Springfield, show underselling by the British PC strand in * * * of the * * * instances (* * * percent) where comparisons were possible. * * *.

Table 21.--Prestressed concrete steel wire strand: Delivered prices of U.S. producers' and the importer, by quarters, January 1979-September 1982

* * * * *

Petitioners have stated that in order to meet delivered price quotes of importers they have increasingly absorbed freight costs to their customers or quoted delivered prices 1/. In order to make price comparisons on this basis, domestic producers and the importer were requested to report delivered selling prices of PC strand for January 1979 through September 1982 (table 21). Although these delivered prices reflect transportation costs, they are aggregated across sales throughout the United States. Hence, underselling calculations based on these prices may not reflect competing sales in proximate geographic markets. * * * U.S. producers, * * * and * * *, reported prices from January-March 1979 and January-March 1980, respectively, through January-March 1982. A comparison of these delivered prices shows underselling by the British PC strand in * * * of the * * * quarters for which comparisons were possible. * * *.

The disaggregated weighted average delivered selling prices of PC strand, presented in table 21 by each of the four reporting domestic producers, reflect competitive circumstances in different areas of the United States. Where comparisons were possible, prices reported by * * *.

1/ Prehearing brief of the PC Strand Group, p. 96.

The disaggregated weighted average delivered selling prices of PC strand, presented in table 21 by each of the four reporting domestic producers and by Springfield, show underselling by the British material in * * * of the * * * instances (* * * percent) where comparisons were possible. * * *. * * *.

In order to compare prices of the domestic and British PC strand at specified locations during recent periods, the Commission sent questionnaires to 51 purchasers across the country. The questionnaire requested prices paid for the firm's largest purchase of PC strand produced in the United States and that sourced from the United Kingdom during all four quarters of 1981 and the first three quarters of 1982. Thirty-one purchasers responded to the questionnaire, and nine of these purchasers provided price data that could be used in making comparisons on a city basis. ^{1/} Comparisons of such delivered prices reported by purchasers are believed to be the best basis for an analysis of the issue of underselling. These prices reflect both transportation charges and competing sales in proximate geographic markets. As shown in table 22, the results provided some additional evidence relating to underselling during 1981 and the first three quarters of 1982.

Table 22.--Prestressed concrete steel wire strand: Delivered prices paid by purchasers for U.S.-produced and British-produced merchandise, by cities, and by quarters, January 1981-September 1982

* * * * *

In Houston, Tex., * * *.

In Pass Christian, Miss., * * *.

In Kalamazoo, Mich., * * *.

In Dedham, Mass., * * *.

In Port Bienville, Miss., * * *.

In Metairie, La., * * *.

^{1/} The nine purchasers who reported delivered prices that could be used in making comparisons accounted for approximately 13 percent of U.S. apparent consumption of PC strand in 1981.

Two isolated price comparisons between domestic and British PC strand were reported by two different purchasers in Taylor, Mich. and in Berlin, N.J. In Taylor, Mich., * * *. In Berlin, N.J., * * *.

The Commission asked purchasers of PC strand to rank the importance of five factors, on a scale from 1 (lowest) to 5 (highest), in their decisions to buy strand from a particular supplier. Along with price, the five factors included availability of service, delivery time, proximity of the vending firm, and quality of the product. The responses from 25 purchasers who completed this section of the questionnaire varied widely. Some firms gave more than one factor a rank of 5, whereas others gave only one factor a rank of 5. Product quality was ranked 5 most frequently (by 15 firms). The other factors that received a ranking of 5, in descending order of frequency, were the following: Price (by nine firms), delivery time (by seven firms), proximity of the vending firm (by six firms), and availability of service (by five firms). Proximity of the vending firm was most frequently ranked as least important (by eight firms).

Purchasers of PC strand were also asked to list and rank any other factors that influence their purchase decisions. Those purchasers who responded to this section of the questionnaire gave a rank of 5 to the following factors: future reliability, payment terms, interest in individual company's needs, and "buy America" requirements, which are stipulated in some project contracts.

The Commission also asked if, as a result of any of the above factors, purchasers had purchased PC strand from a higher priced source rather than from a lower priced source in 1981. Thirteen of the 21 firms that who answered this section of the questionnaire responded affirmatively. Of these 13 firms, 9 bought domestic PC strand at higher prices and 4 bought British PC strand at higher prices. The nine purchasers who bought domestic PC strand at higher prices cited the following four factors as the principal reasons for doing so: Delivery time (cited by five firms), multiple sourcing (cited by two other firms), quality (cited by one other firm), and a "buy America" requirement (cited by still another firm). The four purchasers who bought British PC strand at higher prices cited the following two factors as the principal reasons for doing so: Availability of various sizes (cited by three firms), and packaging/quality (cited by the one remaining firm).

Lost revenues

Domestic producers submitted seven specific allegations of revenues which they lost due to the price of the United Kingdom product. Five of these allegations were submitted by * * *, whereas * * * and * * * each submitted one. The Commission's staff was able to contact six of these firms.

* * * alleged that it had to lower its price for * * * pounds of PC strand to * * *. * * * stated that he generally takes quotes from a number of sources, and then awards the contract to the lowest priced supplier. ^{1/} * * * stated that he could not remember details of his purchases during * * *.

^{1/} Conversation with the Commission's staff on January 17, 1983.

but stated that he may have told a domestic supplier to reduce its price in order to meet the lower price of the imported strand. * * * also alleged that it had to lower its price from * * * to * * * on a sale of * * *. * * * of * * * stated that he generally receives quotes from a number of suppliers, which in * * * would have included both domestic producers and suppliers of PC strand imported from Japan, the U.K., South Africa, the Netherlands, and Argentina. 1/ * * * stated that the U.K. price may have been released to a domestic producer, but such a possibility is unlikely. Generally, he tries to avoid giving the names of specific vendors to their competitors, but he may tell a bidder that its price is too high, either by giving examples of other quotes or by giving a percentage of underselling by the other sources.

* * * further alleged that it lowered its price from * * * to * * * because of a quote by Springfield to * * *. The quantity involved was * * * pounds. * * * of * * * said he takes quotes from * * * and * * *. 2/ He takes one quote from each, and does not play one source against the other. Currently, * * * is buying strand from * * * at a higher price than the U.K. product. * * * stated that he has never told a salesman that his price was too high and must be lowered to get the contract.

Finally, * * * stated that it has recently been forced to lower its initial * * * per 1,000 lineal feet delivered price offer to * * * of * * *, because of a low U.K. offer. * * * of * * * stated that he was offered U.K. strand at a lower price than * * * strand in late * * *, and told * * *, which subsequently lowered its price. 3/ * * * stated that he purchased only small quantities of the U.K. product in 1982, because it was priced higher than domestic strand until recently. * * * is currently expecting the arrival of some strand from * * *.

* * * alleged that it was forced to lower its price to * * * due to a low U.K. offer. The quantity involved was * * * paks. * * * of * * * stated that he generally calls two or three suppliers for quotes, and buys the * * * product if it is within four or five percent of the others. 4/ He stated that if all other factors are equal, he will pay a little higher price for domestic strand, both because it is domestically produced and because of the quicker delivery time. * * * is unaware of any specific price suppression * * *, but stated that he will tell a domestic supplier what the low quote is so the domestic supplier can meet it. * * * stated that he did receive U.K. quotes during * * *.

1/ Conversation with the Commission's staff on January 17, 1983.

2/ Conversation with the Commission's staff on January 18, 1983.

3/ Conversation with the Commission's staff on January 17, 1983.

4/ Conversation with the Commission's staff on January 17, 1983.

* * * alleged that it was forced to lower its price for * * *. * * * of * * * stated that he has never bought PC strand from the U.K. and has never been approached nor received a quote on the U.K. product. * * * said he usually receives quotes from * * *, but is unaware of what prices were during * * *.

Lost sales

In response to the Commission's questionnaires, 3 domestic producers provided a total of 10 specific allegations 1/ of sales which they have lost to imports from the United Kingdom. * * *.

The six lost sales allegations submitted during the preliminary investigation involved * * * million pounds of strand. The Commission's staff has investigated all six of these allegations. In the first instance, * * * alleged that it lost a sale of * * * pounds to * * *. * * * of * * * stated that availability is the biggest factor in his strand purchases. 2/ He added that in * * * domestic producers' delivery times were 6 to 8 weeks, and that he could get imports quickly from the warehouse. * * * is now buying all of his strand domestically, and has done so since * * *. He has purchased strand from * * *, but primarily from the former company. He also buys a little from Springfield when * * * cannot deliver in time. * * * stated that he bought a couple of truckloads from * * * in * * *, but the freight was too high, although the f.o.b. factory price was fine.

In the second allegation, * * * alleged that it lost a sale of * * * pounds to * * *. * * * purchaser questionnaire shows a purchase from Springfield in * * *. * * * of * * * stated that he does not remember the circumstances of the purchase because it was a long time ago. 3/ However, * * * rated the quality of strand as follows: * * *. * * * added that quality has a lot to do with purchases. Earlier, * * * had mentioned the inability of * * * to meet * * * delivery needs in 1981. 4/

In another instance, * * * alleged that it lost a sale of * * * pounds to * * *. * * * of * * * commented that at times in * * *, * * * could not meet delivery time requirements, which are very important to * * *. 5/ * * * also mentioned that his firm is currently purchasing strand from * * * and * * * and that * * * strand is priced too high for the * * * area.

1/ Not included is an eleventh allegation, which counsel for * * * submitted in a letter dated December 21, 1982, but which had previously been submitted in its response to the Commission's questionnaire.

2/ Conversation with the Commission's staff on Dec. 8, 1981.

3/ Conversation with the Commission's staff on December 8, 1982.

4/ Conversation with the Commission's staff, see lost sales notes, Inv. No. 731-TA-89 (P).

5/ See lost sales notes for Inv. No. 731-TA-89 (P).

*** alleged that it lost a sale of ***, *** purchaser's questionnaire reveals that the company purchased *** of U.K. strand ***. *** of *** stated that he normally does not buy U.K. strand, but was forced to look at imports to stay competitive on bids. 1/ Therefore, he tried the U.K. product.

Finally, *** alleged that it lost a sale to ***. Springfield's customer list shows sales totaling *** pounds to ***. *** of *** stated that he does buy from Springfield, and that the U.K. price was below the domestic price in the fourth quarter of 1981. He also stated that he purchased some domestic strand in the fourth quarter of 1981.

*** alleged that it lost a sale of *** feet 2/ of PC strand to ***. *** of *** stated that his firm went out of business in ***. He said that he usually solicited prices from several sources, and would choose the lowest price that could meet his delivery requirements. *** stated that he purchased strand from the U.K., but could not remember specifics as to his purchases or prices paid in ***.

The Commission's staff investigated three of the four alleged lost sales which were submitted during the final investigation. In the first of these, *** alleged that it lost a sale of ***. When contacted, *** stated that it opened for business at the beginning of ***, and secured its first job in ***. 3/ *** purchased *** strand from *** in *** for this project. *** recently purchased *** of strand from ***. Although *** has received quotes from ***, it will continue to purchase its requirements from *** because the price is about the same as *** and *** likes doing business with ***.

In the second allegation, *** alleged that it lost a sale of strand to ***. Although the amount was unspecified, ***. When contacted, *** stated that he purchases strand from both the *** and ***. 4/ *** stated that his firm purchased strand from *** in the past, but stopped doing so because *** wire would sometimes break under tension and create a hazardous condition. *** added that he received a spool of *** strand two years ago from one of his competitors, in repayment for some of his strand which *** had lent that company earlier. *** stated that *** has never purchased strand from a domestic producer.

In the third allegation, *** alleged that it lost sales of ***. *** of *** stated that he buys most of his requirements from *** because the other domestic producers "are bad, due to union workers who do not care about quality". 5/ *** added that *** have bad strand, and stated that his customers will not use his product if he purchases strand from ***. *** concluded by stating that domestic prices are way out of line. In an

1/ Ibid.

2/ This amount was specified in the questionnaire returned in connection with Inv. No. 731-TA-89 (Preliminary). In a letter dated *** counsel for *** specified an amount of ***.

3/ Conversation of January 17, 1983.

4/ Conversation with the Commission's staff on December 8, 1982.

5/ Conversation with the Commission's staff on December 8, 1982.

earlier conversation with the Commission's staff 1/ * * * stated that price is the factor in order to compete, and that he often doesn't ask for quotes from domestics. At that time, he stated that a strand from * * * once broke at half tension.

1/ See Field trip notes of Howard L. Gooley, March 15-17, 1981, Inv. Nos. 701-TA-152, 153, and 731-TA-89 (P), p. 2.

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Appendix A

The Department of Commerce's
Final Antidumping Determination

Prestressed Concrete Steel Wire Strand From the United Kingdom; Final Determination of Sales at Less Than Fair Value

AGENCY: International Trade Administration, Commerce.

ACTION: Notice of Final Determination of Sales at Less Than Fair Value.

SUMMARY: We have determined that prestressed concrete steel wire strand ("PC strand") from the United Kingdom is being, or is likely to be, sold in the United States at less than fair value. The U.S. International Trade Commission ("ITC") will determine within 45 days of publication of this notice whether these imports are materially injuring, or are threatening to materially injure, a U.S. industry.

EFFECTIVE DATE: December 20, 1982.

FOR FURTHER INFORMATION CONTACT: Brian Kelly, Office of Compliance, Import Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, N.W., Washington, D.C. 20230 (202-377-2923).

SUPPLEMENTARY INFORMATION:

Case History

On March 4, 1982, we received a petition in proper form from counsel on behalf of American Spring Wire Corporation of Bedford Heights, Ohio; Armco Inc., of Middletown, Ohio; Florida Wire and Cable Company of Jacksonville, Florida; Bethlehem Steel Corporation of Bethlehem, Pennsylvania; Pan American Ropes, Inc., of Houston, Texas; and Shinko Wire America, Inc., of Houston, Texas; filed on the behalf of the U.S. industry producing PC strand. The petitioners alleged that PC strand from the United Kingdom is being or is likely to be sold in the United States at less than fair value within the meaning of section 731 of the Tariff Act of 1930 ("the Act") (19 U.S.C. 1673), and that such sales are materially injuring, or are threatening to materially injure, a U.S. industry.

On October 6, 1982, we preliminarily determined that PC strand from the United Kingdom is being, or is likely to be, sold in the United States at less than fair value (47 FR 44132-33). Our preliminary notice gave interested parties an opportunity to submit views in writing and orally, and on November 17, 1982, we held a public hearing.

Scope of the Investigation

For the purpose of this investigation, the term "prestressed concrete steel wire strand" covers wire strand of steel other than stainless steel, for prestressing concrete, as currently

provided for in item 642.1120 of the *Tariff Schedules of the United States Annotated*.

To the best of our knowledge a single British firm, Bridon Wire, Ltd., produced all of the PC strand exported from the United Kingdom to the United States during the review period, and we limited our investigation to that firm.

This investigation covers the period from July 1 to December 31, 1981, for purchase price sales, and from October 1, 1981 to March 31, 1982, for exporter's sales price transactions.

Methodology of Fair Value Comparisons

To determine whether sales of the subject merchandise in the United States were made at less than fair value, we compared the United States price with the foreign market value.

United States Price

We used purchase price, as defined in section 772(b) of the Act, to represent the United States price for a portion of the sales by Bridon Wire in which the merchandise was sold to unrelated purchasers prior to its importation into the United States. For the remainder of Bridon's sales we used exporter's sales price, because the merchandise was sold to unrelated purchasers in the United States after the date of importation.

We calculated both purchase price and exporter's sales price, as appropriate, on the basis of the ex-warehouse U.S. price; c.i.f. landed, duty paid price; or the delivered customer's works, packed price to unrelated purchasers in the United States. We made deductions, where applicable, for foreign inland freight, ocean freight and insurance, U.S. duty, brokerage charges, and U.S. inland freight and insurance. Where we used exporter's sales price, we made additional deductions for credit expenses and other selling expenses.

Foreign Market Value

There were sufficient sales in the home market to allow the use of home market prices as the basis for foreign market value. For the purposes of determining such or similar merchandise under section 771 of the Act, we made comparisons using strand of the same grade as that sold in the United States, and used the dimensions closest to those of the product sold in the United States.

The home market prices for Bridon Wire were based on delivered or ex-works packed prices to unrelated purchasers. From these prices we deducted, where appropriate, discounts and U.K. inland freight and insurance.

We made adjustments, where appropriate, for differences between home market and U.S. credit costs, recoiling charges, and packing charges.

Where we compared exporter's sales price with foreign market value, we deducted credit expenses and recoiling charges, instead of adjusting for the differences. We subtracted an amount for indirect selling expenses equal to that found for United States sales.

Verification

We verified, to the extent possible, all information used in making this final determination. We were granted access to the books and records of the British manufacturer and the related U.S. company. We used standard verification procedures, including on-site inspection of the manufacturer's operations and examination of accounting records and randomly selected documents containing relevant information.

Results of Investigation

We made fair value comparisons on all of the sales to the United States made by Bridon Wire, Ltd. We found margins on all of the sales compared. The margins range from 15.37 to 150.49 percent. The overall weighted average margin on all sales compared is 33.89 percent.

Petitioner's Comments

Comment 1

The Department cannot adjust home market price for differences in circumstances of sale without a causal link between the differences in the cost of selling the merchandise in the home and U.S. markets and the differences in home and U.S. prices. In its preliminary analysis, the Department failed to establish this causal link, and no evidence has subsequently been presented to justify it. The Department therefore should not make the adjustment.

DOC Position

In accord with past practice, we adjusted for circumstances of sale based on our conclusion that differences in cost constitute a reasonable indication of the differences in price. Section 353.15(d) of the Commerce Regulations states that reasonable allowances will be made for the differences in cost to the seller of differences in circumstances of sale. The regulation is consistent with section 773(a)(4) of the Act, which states that any allowance will be made for any price difference "wholly or partly" due to differences in circumstances of sale. See *Brother Industries, Ltd., et al. v. United States*, 3

C.I.T. —, Slip Op. 82-34 (April 30, 1982).

Comment 2

To the extent that the ITA made deductions for inland freight and discounts in the computation of foreign market value without establishing that such adjustments were directly related to the sales under consideration, petitioners object to the deductions.

DOC Position

Where necessary, the Department has, in accordance with longstanding administrative practice, relied on averaged figures for home market adjustments, including freight and some discounts. The Department has the authority to use averaged figures for establishing foreign market value during an investigation. For both freight and discounts the figures used were directly traceable to the product under investigation, though not to particular sales.

Comment 3

Average U.S. credit costs should not be used. The Department should obtain and use sale-specific credit costs.

DOC Position

The Department received a sale by sale breakdown of U.S. credit expenses during the verification of Bridon's American affiliate, Springfield Industries, Inc., and applied it in computing these final results.

Comment 4

The Department erred in deducting credit expenses and recoiling charges from both the U.S. and home market prices in exporter's sales price situations. The law only allows adjustments for the differences in circumstances of sale.

DOC Position

Section 772(e) of the Act gives the Department the authority to make deductions for direct expenses on the U.S. side. See *Brother Industries, Ltd., et al. v. United States*, 3 C.I.T. —, Slip Op. 82-34 (April 30, 1982).

Comment 5

The Department did not have the authority to investigate the classification of selling expenses during verification. This constitutes gathering new information, which is not the purpose of verification.

DOC Position

The Department is under an obligation to verify as much information as possible in an investigation. This

includes verifying claims of no expenses as well as those of positive figures. Therefore, if either direct or indirect expenses are reported as zero, we verify the figure as we would any other.

Comment 6

The Department underestimated U.S. interest expenses incurred by Springfield by failing to account for the time the goods spent in transit to the United States, and ignoring in general the inventory interest expense associated with selling the goods from warehouse.

DOC Position

The Department uses actual credit expenses in making any difference in credit expense adjustments. We did not impute credit charges to a period in which the firm was not actually covering the sale of goods directly with short-term debt. Any interest expenses incurred for inventory prior to sale of the goods were captured through the inclusion of Springfield's overhead within U.S. selling expenses. These are properly categorized as indirect selling—not credit—expenses.

Comment 7

The Department should adjust U.S. price for any commission paid by Bridon to Springfield.

DOC Position

The commission was simply an intra-corporate transfer of funds. In determining the costs of bringing the merchandise to the U.S. customer, we are interested in actual costs incurred by the corporate entity as a whole, not in simple funds transfers.

Comment 8

The Department should not accept the additional information submitted on November 30, 1982.

DOC Position

We did not use the supplemental submission of November 30 because it was untimely.

Comment 9

The Department should further investigate to ascertain whether it has covered all manufacturers exporting PC Strand to the U.S.

DOC Position

We have referred to both British sources and our own import statistics. We have found no evidence that firms other than Bridon actually sold PC strand in the United States during the review period.

Final Determination

Based on our investigation and in accordance with section 735(a) of the Act, we have reached a final determination that prestressed concrete steel wire strand from the United Kingdom is being, or is likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act.

Continuation of Suspension of Liquidation

Liquidation will continue to be suspended on all entries of PC strand that are entered into the United States, or withdrawn from warehouse, for consumption. The U.S. Customs Service will continue to require the posting of a cash deposit, bond, or other security in the amount of the weighted average margin of the FOB price for the listed firm and 33.89 percent of the FOB price for all other British producers. The security amounts established in our preliminary determination of October 6, 1982, are no longer in effect.

ITC Notification

We are notifying the ITC and making available to it all nonprivileged and nonconfidential information relating to this determination. We will allow the ITC access to all privileged and confidential information in our files, provided it confirms that it will not disclose such information, either publicly or under an administrative protective order, without the written consent of the Deputy Assistant Secretary for Import Administration. If the ITC determines that material injury or threat of material injury does not exist, this proceeding will be terminated and all securities posted as a result of the suspension of liquidation will be refunded or cancelled. If the ITC determines that such injury does exist, we will issue an antidumping order, directing Customs officers to assess an antidumping duty on prestressed concrete steel wire strand from the United Kingdom entered, or withdrawn from warehouse, for consumption after the suspension of liquidation, equal to the amount by which the foreign market value exceeds the United States price. This determination is being published pursuant to section 735(d) of the Act (19 U.S.C. 1673(d)).

Dated December 14, 1982.

Lawrence J. Brady,

Assistant Secretary for Trade Administration.

(PR Doc. 82-3442 Filed 12-17-82; 9 45 am)

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Appendix B

Witnesses Appearing at
the Hearing

TENTATIVE CALENDAR OF PUBLIC HEARING

Those listed below appeared as witnesses at the United States International Trade Commission's hearing:

Subject : Prestressed Concrete Steel Wire
Strand from The United Kingdom

Inv. No. : 731-TA-89 (Final)

Date and time : January 4, 1983 - 10:00 a.m.

Sessions were held in connection with the investigation in the Hearing Room of the United States International Trade Commission, 701 E Street, N.W., in Washington.

In support of the petition:

Eugene L. Stewart--Counsel
Washington, D.C.
on behalf of

Prestressed Strand Group

Gary Sparks, Sales Manager, American Spring Wire Corporation

Gale Dull, Manager of Technical Services, Armco Inc.

Fred Hunt, Vice President, Florida Wire & Cable Company

Kenneth O. Wilson, Vice President, Shinko Wire America, Inc.

Terence P. Stewart)
Ms. Kathleen T. Weaver)--OF COUNSEL

- 2 -

In opposition to the petition:

Busby, Rehm and Leonard--Counsel
Washington, D.C.
on behalf of

Springfield Industries (Springfield) and
Bridon Wire Limited (Bridon)

J. Angus McDonnell, Marketing Director, Bridon

J. A. Salinas, President, Springfield

Christopher R. Parkinson, Vice President,
Marketing, Springfield

Will E. Leonard)
Ms. Ruth H. Bale)--OF COUNSEL

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Appendix C

The Commission's Notice of Institution

[Investigation No. 731-TA-89 (Final)]

**Prestressed Concrete Steel Wire
Strand From the United Kingdom**

AGENCY: U.S. International Trade
Commission.

ACTION: Institution of final antidumping
investigation.

SUMMARY: The U.S. International Trade Commission hereby gives notice of the institution of investigation No. 731-TA-89 (Final) to determine, pursuant to section 735(b) of the Tariff Act of 1930 (19 U.S.C. § 1673d(b)), whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports from the United Kingdom (U.K.) of steel wire strand for prestressing concrete (PC strand), provided for in item 642.11 of the Tariff Schedules of the United States, which are alleged to be sold at less than fair value (LTFV).

EFFECTIVE DATE: October 15, 1982.

FOR FURTHER INFORMATION CONTACT: David Coombs, Office of Investigations, U.S. International Trade Commission, 701 E Street, NW., Washington, D.C. 20436; telephone 202-523-1376.

SUPPLEMENTARY INFORMATION:
Background.—On March 4, 1982, a petition was filed with the Commission and the U.S. Department of Commerce by counsel for American Spring Wire Corp., Armco Inc., Bethlehem Steel Corp., Florida Wire & Cable Co., Pan American Ropes Inc., and Shinko Wire America Inc., alleging that an industry in the United States is materially injured or is threatened with material injury by reason of imports of PC strand from the U.K., which are alleged to be sold at LTFV. On April 14, 1982, the Commission determined, pursuant to § 733(a) of the Tariff Act of 1930 (19 U.S.C. § 1673b(a)), that there was a reasonable indication that an industry in the United States was materially injured or threatened with material injury by reason of imports from the U.K. which were alleged to be sold at LTFV (47 F.R. 18200). On October 6, 1982, Commerce

issued a preliminary determination that imports of PC strand from the U.K. are being sold in the United States at LTFV (47 F.R. 44132). Accordingly, the Commission is instituting this final antidumping investigation.

This investigation will be subject to the provisions of part 207 of the Commission's Rules of Practice and Procedure (19 CFR § 207 (1981)), as amended, and particularly subpart B thereof.

Written submissions.—Any person may submit to the Commission on or before December 29, 1982, a written statement of information pertinent to the subject matter of the investigation. A signed original and fourteen copies of such statements must be submitted. All written submissions, except for confidential business data, will be available for public inspection.

Any business information which a submitter desires the Commission to treat as confidential shall be submitted in conformance with the requirements of section 201.6 of the Commission's Rules (19 CFR § 201.6 (1981)). Each sheet of information for which confidential treatment is desired must be clearly marked at the top "Confidential Business Data". All written submissions, except for confidential business data, will be available for public inspection at the Office of the Secretary, U.S. International Trade Commission.

Participation in the investigation.—Persons wishing to participate in this investigation as parties must file an entry of appearance with the Secretary to the Commission, as provided in § 201.11 of the Rules (19 CFR § 201.11), not later than twenty-one (21) days after the publication of this notice in the *Federal Register*. Any entry of appearance filed after this date will be referred to the Chairman, who shall determine whether to accept the late entry for good cause shown by the person desiring to file the entry.

Upon the expiration of the period for filing entries of appearance, the Secretary shall prepare a service list containing the names and addresses of all persons, or their representatives, who are parties to the investigation, pursuant to § 201.11(d) of the Commission's Rules (19 CFR § 201.11(d)). Each document filed by a party to this investigation must be served on all other parties to the investigation (as identified by the service list) and a certificate of service must accompany the document. Absent a certificate of service, the Secretary shall not accept such document for filing (19 CFR § 201.16(c)).

Public hearing.—The Commission will hold a public hearing in connection with

this investigation on January 4, 1983, in the Hearing Room of the U.S. International Trade Commission Building, beginning at 10:00 a.m. Requests to appear at the hearing should be filed in writing with the Secretary to the Commission not later than the close of business (5:15 p.m.) on December 13, 1982. Persons desiring to appear at the hearing and make oral presentations may file a prehearing brief and should attend a prehearing conference to be held at 10:00 a.m., on December 15, 1982, in Room 117 of the U.S. International Trade Commission Building. Prehearing briefs must be filed on or before December 29, 1982.

A staff report containing preliminary findings of facts will be made available to all interested parties on December 17, 1982.

Testimony at the public hearing is governed by section 207.23 of the Commission's Rules (19 CFR § 207.23). This rule requires that testimony be limited to a nonconfidential summary and analysis of material contained in prehearing briefs and to new information. All legal arguments, economic analyses, and factual materials relevant to the public hearing should be included in prehearing briefs in accordance with rule 207.22 (19 CFR § 207.22). Posthearing briefs will also be accepted within a time specified at the hearing.

Public inspection.—All written submissions, except for confidential business information, will be available for public inspection in the Office of the Secretary, U.S. International Trade Commission, 701 E Street, NW., Washington, D.C. 20436.

For further information concerning the conduct of this investigation and rules of general application, consult the Commission's Rules of Practice and Procedure, part 207, subparts A and B (19 CFR part 207, 47 F.R. 6182, February 10, 1982; 47 F.R. 12792, March 25, 1982; 47 F.R. 33682, August 4, 1982), and part 201, subparts A through E (19 CFR part 201, 47 F.R. 6182, February 10, 1982; 47 F.R. 13791, April 1, 1982; F.R. 33682, August 4, 1982).

This notice is published pursuant to section 207.12 of the Commission's Rules of Practice and Procedure (19 CFR § 207.12 (1981)).

By order of the Commission.

Issued: October 18, 1982.

Kenneth R. Mason,

Secretary.

[FR Doc. 82-2546 Filed 10-26-82; 8:45 am]

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Appendix D

Other Investigations Concerning Prestressed
Concrete Steel Wire Strand

In 1978, the Commission conducted two antidumping investigations concerning imports of prestressed concrete steel wire strand. In August 1978, the Commission determined that an industry in the United States was not being injured and was not likely to be injured and was not prevented from being established by reason of the importation of prestressed concrete steel wire strand from India that was being, or was likely to be, sold at less than fair value (LTFV). In November 1978, the Commission determined that an industry in the United States was being injured by reason of the importation of such merchandise from Japan that was being, or was likely to be, sold at LTFV. A dumping order concerning imports of this product from Japan was issued on December 8, 1978 (43 F.R. 57599); this order is still in effect today. According to Commerce's preliminary administrative review of the antidumping finding concerning imports from Japan, issued on May 20, 1982, dumping margins ranging from 0.03 to 0.29 percent have been found with regard to strand from four Japanese producers and exporters. 1/

On November 9, 1981, counsel for four U.S. producers 2/ filed a countervailing duty petition with Commerce concerning imports of strand from South Africa. Since South Africa is not a signatory to the GATT Subsidies Code, the Commission was not required to make a preliminary injury determination. On May 21, 1982, Commerce and Haggie Ltd., the only South African manufacturer and exporter of strand, signed an agreement in which Haggie voluntarily renounced all the benefits which Commerce had preliminarily found to be bounties or grants on exports of strand to the United States. 3/ At the request of the petitioners, Commerce continued its investigation concerning exports of strand from South Africa, and on August 2, 1982, published its final determination, finding the aggregate net bounty or grant to be 27.1 percent of the f.o.b. value of the imported merchandise (47 F.R. 33310). Commerce stated that the suspension agreement will remain in effect, and that liquidation will not be suspended and a countervailing duty order will not be issued, as long as the conditions of the agreement are met.

On November 5, 1981, counsel for five U.S. producers of PC strand 4/ filed a countervailing duty petition with Commerce regarding imports of PC strand from Spain. Because Spain was not a signatory to the General Agreement on Tariffs and Trade (GATT) at that time, the Commission was not required to make a preliminary injury determination. On July 1, 1982, Commerce issued a final determination that the Government of Spain was providing its manufacturers, producers, or exporters with bounties or grants which were estimated to be 1.77 percent of the f.o.b. value of the strand. Spain became a signatory to the GATT on April 14, 1982, and the Commission instituted an investigation concerning imports of PC strand from Spain, under section 705(b)

1/ Commerce estimates that it will publish the final results of its administrative review in November.

2/ American Spring Wire Corp., Bethlehem Steel Corp., Florida Wire & Cable Co., and Shinko Wire America.

3/ The petitioners are challenging this agreement in the Court of International Trade. See American Spring Wire Corp, et al. v. United States, No. 82-6-00881.

4/ American Spring Wire Corp., Armco Inc., Bethlehem Steel Corp., Florida Wire & Cable Co., and Shinko Wire America, Inc. Pan American Ropes, Inc., supported the petition.

of the Tariff Act of 1930, on April 26, 1982. On August 23, 1982, the Commission determined that an industry in the United States was not materially injured, or threatened with material injury, nor was the establishment of an industry in the United States being materially retarded, by reason of imports of PC strand from Spain, upon which bounties or grants were being paid (47 F.R. 38648).

On March 4, 1982, counsel for four U.S. producers 1/ of PC strand filed a countervailing duty petition concerning imports of PC strand from Brazil and France. 2/ On April 14, 1982, the Commission determined that there was a reasonable indication that an industry in the United States was materially injured or threatened with material injury. 3/ by reason of the allegedly subsidized imports from Brazil and France (47 F.R. 18200, April 28, 1982). 4/ 5/

On August 10, 1982, Commerce preliminarily determined that there is reason to believe or suspect that certain benefits which constitute subsidies are being provided to manufacturers, producers, or exporters of PC strand in Brazil (47 F.R. 34609). 6/ Accordingly, on August 25, 1982, the Commission instituted investigation No. 701-TA-152 (Final) to determine whether an industry in the United States is materially injured, or is threatened with material injury, or the establishment of an industry in the United States is materially retarded, by reason of imports of PC strand from Brazil into the United States (47 F.R. 38647, Sept. 1, 1982). 7/

A hearing was held on October 19, 1982, in connection with the Commission's investigations concerning PC strand from both Brazil and France. However, on October 22, 1982, Commerce suspended its investigation involving PC strand from Brazil, pursuant to a suspension agreement between the United States and the Government of Brazil (47 F.R. 47048). Therefore, the Commission suspended its investigation concerning PC strand from Brazil on October 27, 1982 (47 F.R. 49908, Nov. 3, 1982). 8/

1/ American Spring Wire Corp., Florida Wire & Cable Co., Pan American Ropes, Inc., and Shinko Wire America, Inc.

2/ Six firms, American Spring Wire Corp, Armco Inc., Bethlehem Steel Corp., Florida Wire & Cable Co., Pan American Ropes, Inc., and Shinko Wire America, Inc., were the petitioners in the French investigation.

3/ The antidumping petition concerning PC strand from the United Kingdom, the subject of this report, was filed with these petitions.

4/ Commissioners Alberger and Haggart found a reasonable indication of present material injury only.

5/ The Commission made its affirmative preliminary finding in the United Kingdom investigation on the same day.

6/ Commerce's preliminary determination regarding PC strand from France was published on August 6, 1982.

7/ The Commission's final investigation regarding PC strand from France (Inv. No. 701-TA-153(F)) was instituted at the same time.

8/ Subsequent to the suspension, counsel for the petitioners requested a continuation. On Nov. 12, 1982, the Commission continued the investigation. This investigation is currently in progress, and the Commission is scheduled to make its final determination on March 14, 1983.

On November 22, 1982, the Commission determined that a domestic industry was not materially injured or threatened with material injury by reason of imports of PC strand from France (47 F.R. 56213, Dec. 15, 1982).

Appendix E

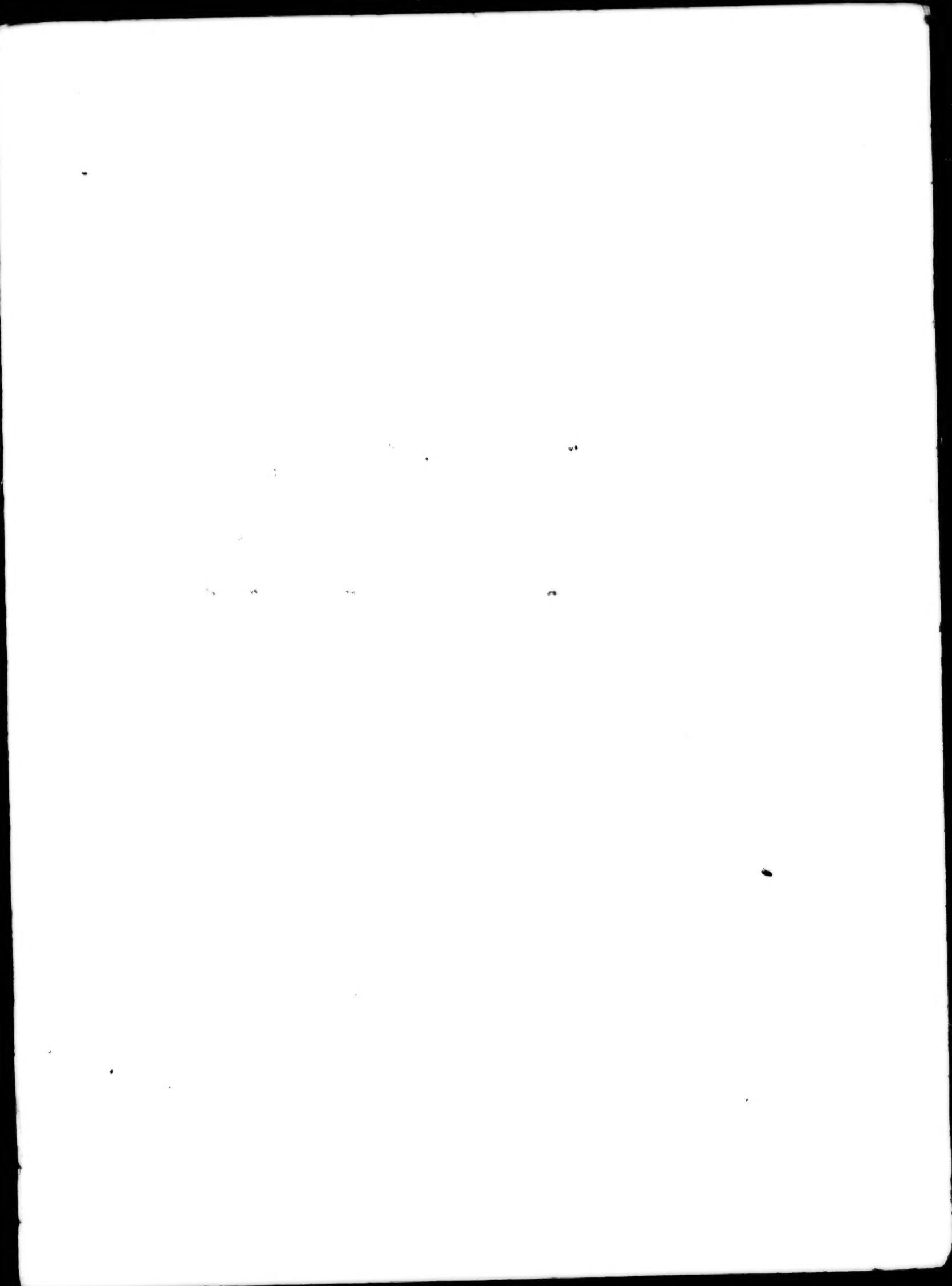
Notes to Pricing Tables

Note.(3)--Domestic producers and the importer reported prices, presented in table 20 for customers in the following locations:

* * * * *

Note.(2)--Domestic producers and the importer reported prices, presented in table 21, for customers in the following locations:

* * * * *



END

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